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# MESSAGE

—OF—

# GOV. WM. B. BAT

TO THE

# FORTY-FIFTH GENERAL ASSEMBL

OF THE

# STATE OF TENNESSEE.

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MONDAY, JANUARY 10, 1887.

NASHVILLE, TENN.:
MARSHALL & BRUCE, PRINTERS TO THE STATE.
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# MESSAGE.

*Gentlemen of the Senate and House of Representatives:*

In performance of the duty imposed upon the Governor by the Constitution of Tennessee, "from time to time to give the General Assembly information of the state of the Government, and recommend for their consideration such methods as he shall judge expedient," I have the honor to transmit the following message:

## FINANCES OF THE STATE.

The biennial reports of the Comptroller and Treasurer, exhaustive and critical, show in detail the receipts and expenditures for the two years ending December 19, 1886. From these reports it will be seen that the receipts for the two years, from all sources, aggregate the sum of $3,226,768.36, including the item of $645,214.83, cash balance on hand December 20, 1884. The disbursements during the same time aggregate $3,291,300.98, showing an excess of disbursements over receipts of $64,532.62. The balance of $645,214.83, that was in the treasury on December 20, 1884, included $139,473.80 of new issue Bank of Tennessee certificates and old issue Bank of Tennessee money, which showed the balance at that time to amount to only $505,741.03 in actual available funds. The actual receipts for the past two years exceed those of the preceding two years by the sum of $481,990.35, exclusive of the balance on hand at the beginning of each period. The disbursements of the latter period exceed those of the former by $1,590,161.87, or at the rate of $795,080.93 a year.

These additional expenses for the past two years are due to the payment of interest on the State debt, amounting to $1,041,-

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461.00 for the two years named; the cancellation of Tennessee money amounting to $586,000, and the large appropriations for hospitals for the insane in East and West Tennessee, and for schools for the deaf and dumb and blind (beyond current expenses of the same), Legislative expenses of the extraordinary session, Capitol repairs, etc., aggregating over $250,000.

The incoming revenues for the biennial period, together with the balance that was on hand December 20, 1884, were sufficient to meet all expenses up to October 1, 1886, notwithstanding the very large amount of back interest due after July, 1883, on bonds presented for funding. On October 1, however, the Funding Board, under authority of the Act of June 9, 1885, chapter 3, of the extraordinary session, made an arrangement with the First, Fourth, and Commercial National Banks, all of Nashville, by which the State was permitted to overcheck for such sums as might be needed, the State agreeing to pay interest at the rate of 6 per cent. on the amounts overchecked, and the same arrangement will enable the State to overcheck for such amount as may be necessary to meet the January interest on the State debt, and the same will stand as a charge against the State, bearing interest at the rate of 6 per cent. until the incoming revenue, especially the large bulk of revenue for the year 1886, due after February 1, 1887, shall pay and discharge it.

But for the large extraordinary appropriations by the General Assembly, there would now be a large balance in the treasury, and this balance would have been still many thousands of dollars greater but for the large and previously unexpected amount of Torbett issue and Treasurer's certificates for the same, issued in lieu of money, which flowed back in taxes.

In the remarks appended to the Treasurer's report it is shown that in the $3,291,300.98 of disbursements for the past two years are included many items of extraordinary expense that need not necessarily be incurred in future years, the chief of which are the following: Legislative expense, extra session, $20,671.35; Court of Referees, $17,508.25; East Tennessee Hospital for the Insane, $105,068.71; Tennessee money and certificates canceled

and expense of same, $588,410.92; McMinnville & Manchester Railroad, $10,386.95; Code of Tennessee, $29,009.25, and Mineral Home Railroad bonds redeemed, $15,513.68, all aggregating $786,569.12.

There seems, therefore, to be no doubt that the present rate of taxation is sufficient to meet all the necessary expenses of the State, including all interest on the debt, and accumulate every year a large sum for the extinguishment of the principal of the debt especially when the obligations growing out of the Torbett issue shall have been settled, the last one-fifth portion of which will be taken up in the year 1887, except the post-notes, which will amount to $64,101.00 annually for the years 1887, 1888 and 1889.

It will be seen, by reference to the report of the Comptroller, that the amount of warrants outstanding on December 20, 1884, was the sum of $115.964.83; that there were issued from December 20, 1884, to December 19, 1886, inclusive, warrants to the amount of $3,285,482,28; and that the amount outstanding on December 19, 1886, was $110,146.13.

## REVENUE AND THE BONDED INDEBTEDNESS.

The property valuation in the State, which is our main source of revenue, has been, since our interstate strife, as variable as have been the modes of getting at it. Hence, no accurate and well-defined estimate was placed upon it during this period. The assessments during this time, which may be said to have been almost purely arbitrary, have, in amount, gone to the two extremes, from ten to sixty cents per annum on the one hundred dollars, the amount depending upon the question as to whether interest on the debt was to be paid or not. In keeping with this, it seems that tax assessments, as a barometer, would rise or fall as the pressure of the politico-financial atmosphere would indicate; and this pressure was increased or diminished, not so much by the demands of the occasion, as by the peculiar local, personal, or political sympathies of the individuals composing each General Assembly, as to the legality and amount of our

bonded indebtedness, and the best mode of its settlement. This source of irregularity and irritation, however, having been removed, the way is now clear by which we can, with some degree of certainty, arrive at the amount required to carry on the State Government, meet all just obligations without delay, and consider without passion or prejudice, the best mode of placing in the coffers of the State this necessary amount.

The Forty-third General Assembly that passed the act which established the terms and indicated the mode of settling the bonded indebtedness of Tennessee, coincident therewith passed a revenue bill assessing taxable property with four mills on the dollar, one-fourth of which to be devoted to common school purposes, and the remaining three mills on the dollar set apart, with the revenue from other sources, to meet the current expenses of the State Government, including, as a part thereof, the current interest upon our bonded indebtedness, and also the back, or past-due coupon interest, falling due after July 1, 1883, on all State bonds to be funded under the Act of 1883.

About five-sixths of the bonds liable to be funded under said Act of 1883, have been funded with all back inrerest thereon. Hence it is no problem, but a simple sum of easy solution, as to how much, proximately, will be required to meet semi-annually this current interest on the amount thus funded. To this may be added the amount of interest on that which will probably be funded. This latter cannot now be known with certainty, but a wise policy would suggest that the State be prepared to meet the interest on the whole amount, upon the assumption that all of it will be funded.

This same Act (March 15, 1883), created a Funding Board composed of the Comptroller, Treasurer and Governor (with the right to employ a clerk), to whom, as a Board, was assigned the responsible and arduous duty of carrying into effect and executing, as fully as possible, this delicate trust. The result shows that this Board has been successful beyond the most sanguine expectations. Finding at this time (July 1, 1883), according to the books in the Comptroller's office, a bonded indebtedness of the State of $28,786,066.39, including bonds and interest to July 1, 1883, which bonds had been issued under va-

rious legislative enactments, beginning in 1833, and for different purposes. A large number of these bonds had undergone, more than once, the process of funding, thus rendering the task of tracing each bond to its original, as required by the act, the more tedious and difficult. Of these bonds, since the last official report made to the Legislature (in 1885), this Board has received and converted for the holders and their agents $14,312,400, under the terms of this Act (March 15, 1883), into new funded, or "settlement" bonds; and previously, between July 1, 1883 (when the law took effect), and January, 1885 (when the report was made), has received and funded in like manner $8,063,000, making the total thus funded, as estimated in dollars and cents, $22,375,400.

These $22,375,400 of outstanding bonds have thus, under this Act of 1883, been funded according to the legal classification, as directed by the Act, into new bonds, payable in thirty years, and bearing interest at the rate of six, five, and three per cent., with coupons attached, payable semi-annually. These $22,375,400 bonds, excepting a comparatively small number which bore five and five and one-fourth per cent., called for six per cent. per annum; and the interest due to July 1, 1883, on each of these bonds was added to and put in the new bonds as *principal*, the interest constituting a very large part of that which made up the new bond (in most instances from one-third to one-half of the amount of the bond), it being an average of $475.87 interest on each six per cent. bond, and the five and five and a quarter per cent. bonds in proportion, except those which had been funded under the Act of 1882, and the interest upon which was disposed of under the terms of that Act. Of these bonds classed as three per cent. there have been thus retired, including interest, $20,956,000; of those classed as six per cent. there have been retired $973,000; and of those classed as five per cent., $446,400, making the total amount of bonds retired, as shown above, $22,375,400. These bonds, by substitution, yielded $10,478,000 of three per cent. bonds, $729,800 of the sixes, and $357,100 of the fives, making a total of the new, or "settlement" bonds issued, of $11,564,900, on which the total annual interest—payable semi-annually—in three, five and six per cent., according to the class of bonds, is $375,983.

To summarize, and make the foregoing statements plainer, the following table is submitted, showing the amount of bonds retired under the Act of 1883, by the Funding Board, each one of which, and the coupons thereon, have been duly canceled, examined and filed away in the Comptroller's office, and are ready for the examination of a legislative committee, which examination is respectfully asked:

| | |
|---|---|
| Bonds retired at 3 per cent | $20,956,000 |
| Bonds retired at 5 per cent | 446,400 |
| Bonds retired at 6 per cent | 973,000 |
| Total bonds retired | $22,375,400 |

These have been substituted by the Funding Board, under Act of March 15, 1883, with the following new, or settlement bonds:

| | |
|---|---|
| New bonds at 3 per cent | $10,478,000 |
| New bonds at 5 per cent | 357,100 |
| New bonds at 6 per cent | 729,800 |
| Total new, or "settlement" bonds | $11,564,900 |

Twenty-two million three hundred and seventy-five thousand four hundred dollars of the old debt having been thus retired and substituted, there is yet, according to the books in the Comptroller's office, a balance of $5,728,000, without interest, of our bonded indebtedness to be accounted for. Of this it may reasonably be estimated that, under the present Funding Act (1883), there are about $1,500,000 not fundable, consisting of educational bonds, and others hereinafter referred to. This leaves some $4,228,000 outstanding, and liable to be funded under this Act. How much of this remainder will come in to be funded, and when, cannot be told with certainty. Much of it has not been heard from by the Funding Board. A good deal of it is, as shown by the books, in the original form of issuance, never having been before any of the four preced-

ing Funding Boards, and antedates the war. Hence, some of it is liable to have been lost, mislaid or destroyed in the general wreck incident to that period. Some of these bonds are known to be in Europe, some in the hands of administrators, guardians and official agents, who do not feel authorized to fund them, and, by so doing, thus change the form of investment, made in many instances for specific purposes, under decrees of courts, and under the wills of deceased holders. There are, also, some of these bonds held back awaiting the action of the court in the case of Kohn vs. The Funding Board, which seeks a different construction of the Funding Act of March 15, 1883, from that given by the Board, wherein the Board declined to substitute, with 6 instead of 3 per cent., certain compromise, or 60–6 bonds, that had been funded under the Act of the extra session of 1882, and which could not, each of them, as an integral, be traced to the original bond from which it was derived, and especially when the derivative was shown by the bond-books to be composed, in part, of interest from other bonds.

The action of the Board was sustained by the Court below, and the case now pends in the Supreme Court.

The bonds held by educational institutions in the State, and which are not required, under the Act of 1883, to be funded, aggregate the sum of $482,000, upon which all interest has been paid to date.

Under the Act of March 29, 1872, there were deposited in the Fourth National Bank of Nashville, by the Louisville & Nashville Railroad Company, $400,000 in State bonds, the interest upon which now amounts to about $400,000, making a total of about $800,000. An examination of the Act referred to will show the nature of this deposit and of the State's interest in the bonds. These bonds have remained in the vaults of the bank for many years. They properly belong to the State, and may be classed as so many bonds which will not be presented for funding, and certainly something in regard thereto, looking to the cancellation of these bonds, should be done.

In this connection, I refer also to a subsequent part of this message with respect to the bonds of the State held in trust by the United States Government.

## DETACHED COUPONS.

To be added to the estimate of the indebtedness of the State, are certain *detached* coupons which are not included under the provisions of the settlement Act of 1883, and are therefore unprovided for. The exact amount of these detached coupons is not known, but we know of an amount that will aggregate as much as $30,000 or $40,000. I respectfully call attention to them, as they constitute a part of the indebtedness of the State which, when thoroughly identified, should be provided for as the wisdom of the Legislature may dictate.

## RESOURCES OF THE STATE.

The tabulated statement of the Comptroller's report of the character and valuation of property for a series of years shows that the aggregate assessed valuations for the past six years (excluding railroad and telegraph property) were as follows: In 1881, it was $221,929,813; in 1882, $222,637,873; in 1883, $226,844,184; in 1885, $226,749,308; and in 1886, $224,909,179.

As to railroads, it is shown that in 1883 there were 2,032 miles of lines in the State, assessed at $31,547,299.23, being an average of $15,521.42 per mile. In 1884 the total number of miles was returned at 2,094, assessed at an aggregate of $34,350,170.84, showing an average of $16,400.17. The assessment of railroad property made on October 5, 1885, for the two years, 1885 and 1886, showed an aggregate mileage (not including side-tracks) of 2,155.82, valued, under the assessment at $31,547,582.01, which is an average value per mile of $14,633.70. This aggregate valuation and mileage is of October 5, 1885. It is $2,802,588.83, less than in 1884, but still $4,531,481.89 greater than the valuation shown by the Comptroller's report in 1882.

The valuation of telegraph property is $252,095.95, which is $2,004.67 greater than for the preceding year.

By adding together the valuations of taxable property (not including railroads and telegraphs), $224,909,179; the assessed value of railroads, $31,547,582; and the value of telegraph lines, $252,095.95, we find the total taxable property in the State to be assessed at the aggregate of $256,708,856.95, showing an increased value in the last fonr years ot $7,054,883.83.

All other sources of revenue are shown in detail in the Comptroller's report.

## INTEREST EMBODIED IN THE SETTLEMENT BONDS.

It is difficult to arrive at the precise amount of *interest* that has been funded and put into the *principal* of the new, or "settlement" bonds, but the following will suffice to show that the *interest* upon which the State is now *paying interest* is very considerable.

Under Acts of 1866 and 1868 there were issued bonds to the amount of $4,941,000, nearly all of which was interest due on the bonds of the State (including war interest).

The bonds issued under the Funding Act of 1873 ("Green F") amounted to $6,657,000; under the provisions of the Act, which required that, when $1,000 in coupons should be presented, a bond should be issued for the same, and when a less sum should be presented in coupons, a bond should be issued upon payment of a sufficient amount to make up the $1,000. These provisions of the Act of 1873 did not apply to coupons on bonds held by educational institutions, which were required to be paid and not funded.

Under the Act of 1882, $8,211,000 of compromise bonds were issued (in lieu of some $13,000,000 of old bonds), in which past due interest was absorbed at 60 per cent.

The Funding Board have issued, under the Act of 1883, the following:

Seven thousand, nine hundred and nine bonds with average interest of $475.87 each.....$3,762,749
Also six thousand, two hundred and twenty-seven compromise bonds with average interest of $30... 186,810

$3,947,557

So it will be seen that a fraction over one-third of these new, or "settlement" bonds is composed of interest, without estimating the large amounts of interest absorbed into bonds funded under the four preceding Funding Acts.

Thus it can be seen, by the facts shown, that upon the basis of the present valuation of property in Tennessee, and present rate of taxation thereon, together with the other sources of revenue as now collected—unless there should be extraordinary appropriations—and after taking up the "Treasury certificates," substituting that portion of Torbett issue falling due this year, there would be annually such surplus as to justify the calling in and taking up each year of at least a quarter of a million dollars of the settlement bonds, beginning with six per cents. This would gradually absorb our bonded indebtedness without increasing the present rate of taxation. In proportion to the development and increased value of the property of our State, the present tax rate could be reduced and still accomplish this absorption of our bonded indebtedness.

When the act of March 15, 1883, known as the Funding Bill, was passed, Tennessee bonds were worth but little over half of what they now are. Considering the large amount of interest that has been absorbed under the various funding acts, it is believed that, under the act of March 15, 1883, the State of Tennessee has paid a larger proportion of its indebtedness on the dollar than any other of our seceding Southern States.

I feel that I cannot leave this subject without expressing my high appreciation of the co-operation of my associates on the Board, the Comptroller and Treasurer, and also of the services of Mr. Wm. H. Simonton, the clerk of the Funding Board. Mr. Simonton's great familiarity with the subjects which came under the consideration of the Board, his business qualifica-

tions, promptness and attention to the duties of his position, have rendered his services of inestimable advantage in this arduous undertaking of funding the State debt.

## BANK OF TENNESSEE—OLD AND NEW ISSUE.

In this connection, I would state, that one of the most serious embarrassments encountered in the administration of the State's financial affairs, has resulted from the State's relations to the old Bank of Tennessee.

The Bank of Tennessee was established by an Act of the General Assembly, passed Janury 19,.1838. The parent bank was located at Nashville, and ten branches in differeut parts of the State. The twelfth section of the Bank's charter provided, that bills or notes issued by the Bank should be receivable in payment of taxes and other moneys due the State. The Bank continued in existence until February 16, 1866, when an Act was passed "to wind up and settle" its business. Under that Act, proceedings were instituted by the Attorney-General of the State, in the Chancery Court, at Nashville, on the 16th day of May, 1866, which placed its affairs in liquidation.

Although the bank legally existed until 1886, it practically ceased when the assets of the mother bank were removed from Nashville, on the 17th day of February, 1862, after the capture of Fort Donelson by the armies of the United States. Up to that date the bank had been an exceedingly profitable investment to the State.

During the existence of the bank it issued notes or bills to the amount of $10,970,811. While the greater portion of this was redeemed by the bank, about $2,500,000 was left outstanding, and it was demanded by the holders that it be redeemed by the State. The State promptly redeemed all of this Bank of Tennessee money, which was issued prior to May 6, 1861, the day on which Tennessee passed the secession ordinance, and which is commonly known as "old issue." But it was believed that the money issued by the bank after May 6, 1861, commonly known as "new issue," or "Torbett money," was not

binding on the State because it was issued to Confederates, and in aid of them during the late war between the States, hence obnoxious to the Fourteenth Amendment of the Constitution, and accordingly, an act was passed by the Legislature prohibiting new issue notes from being received by the revenue collectors for taxes and public dues. This gave rise to most protracted litigation, but before detailing the history of that litigation, I should state that the total amount of new issue notes issued by the bank, as appears from its books, is as follows:

| | |
|---|---|
| Mother bank, 1861 | $ 692,638 |
| Mother bank, 1862 | 177,000 |
| Branches, 1861 | 776,600 |
| Total "new issue" | 1,646,299 |

The question was whether or not the State should be made to pay this large sum of "new issue" notes by receiving them for taxes and dues. This question was made in the case of *Keith vs. Clarke*, in Madison County, Tennessee. Mr. Keith tendered in payment of his taxes two twenty-dollar bills, one of which was dated June 1, 1861. The tax collector refused to receive it, whereupon Mr. Keith paid his taxes in currency under protest, and brought suit under this statute to compel him to receive the money. This case was carried to the Supreme Court of Tennessee three times, and twice to the Supreme Court of the United States. It was held that *the burden of proof was upon the State* to *show that any bank-bill* offered was *issued in aid of the rebellion*, the result of which was to make the State liable, for the reason that it was practically impossible to show for what any particular bill had been issued by the bank. Three of the Justices of the Supreme Court of the United States dissented from the majority opinion. The last decision in the case was rendered by the Supreme Court of the United States early in 1883 (106 U. S., 464). It was now apparent that the new issue notes (the regular notes to which the bills like that tendered in *Keith vs. Clarke* belonged) had to be redeemed. The Legislature was then in session, and engaged in the settlement of the State debt—a question which had so long and fiercely distracted the people of Tennessee. It was known that the assets

of the bank then in the receiver's hands in the old case of *The State vs. The Bank of Tennessee* and others, in the Chancery Court of Nashville, would not exceed $250,000. Crediting this sum, and also allowing for the loss and destruction of a great deal of this new issue money during the war, it was apparent that at least $1,200,000 of it would be presented, and about that much of the taxes and revenues of the State would be by it absorbed. The money would be sold to tax-payers at a discount, and tax-payer swould buy, of course, when they could save something by so doing. It was therefore apparent to the most unobservant mind that if any material portion of this vast sum was forced upon the State and permitted to absorb the revenues in 1883 and the years immediately following—the 50–3 settlement, which had been agreed upon after so many years of discord, would fail from its birth. The revenues were needed to pay the current expenses and the interest on the public debt, and if the new issue money absorbed the taxes levied to pay the interest, the interest would have to go unpaid, there being then no authority to make negotiations to meet this demand.

In accordance therefore with the policy and purpose of the people of Tennessee and the dominant party which elected that Legislature and myself, it was resolved by all means to protect and carry out in good faith and true purpose the settlement of the State debt as an *object paramount.*

It should be stated, too, that many of the holders of the money appreciated the embarrassment occasioned by the untimely decision in the case referred to, and expressed a willingness to acquiesce in such measures as should be deemed proper to be adopted. On March 29, 1883, an act was passed and approved by the Governor allowing the holders of all the notes of the Bank of Tennessee, except fractional currency and "post-notes," which latter amounted to $466,000, and were of the denominations of $500 and $1,000, to fund the same in the "Treasury certificates," payable in one, two, three, four and five years. These certificates were made receivable for the taxes for the year in which the same fell due, and also for back taxes which were payable before 1882. By this arrangement the money which the State

was held bound to redeem was distributed over the period of five years, and the holders at the same time protected.

The holders of post-notes and fractional currency were dissatisfied, and made preparations to compel the State to redeem their money by legal proceedings. In the case of the *State vs. The Bank*, in the Chancery Court at Nashville, a reference was had with that view. A case was made up and taken to the Supreme Court at Jackson. Three cases were instituted in the Circuit Court of the United States for the Middle District of Tennessee. I was of opinion that the State was not liable for the ones, or twos, or any currency under five dollars, nor for the fractional currency, of which $106,128.60 had been issued by the bank, and all of which was outstanding, except such as might have been destroyed during the late war; also, that the State was not liable for the post-notes, and particularly $177,000, which Mr. S. Watson, receiver of this bank, had reported to the court, and been issued after the bank left Nashville and went south.

So, with the view both of contesting that money and also of postponing and distributing its payment so as to protect the holders of our compromise bonds in the prompt payment of their interest, and to save a multiplicity of vexatious litigations at various points, by agreement a case was made up covering the points involved, and carried to the Supreme Court of Tennessee, whrre it was tried under the name of the *State of Tennessee vs. The Bank of Tennessee Note-holders.* It was decided by a divided court that the State should receive the "post-notes," of which $466,000 had been issued, as stated; but that the State was not liable for the fractional currency, of which $106,128.60 had been issued, as stated, but a very large part of which, I am satisfied, was lost or destroyed by the holders during the war.

In accordance with this decision, and with the steady purpose of securing to the holders of our bonds the prompt payment of interest, according to the terms of the 50–3 Act, the Legisture passed another act, which was approved by the Governor, April 2, 1885, providing for the funding of the post-notes and

small bills, but not the fractional currency, into certificates, distributed over a period of five years, as the Act of 1883 had done.

Funding was commenced under this Act. Upon a careful comparison of the notes, and the books with the notes, it was discovered that many of the notes, all 500 and 1,000 dollar bills, bore duplicate numbers, and in some cases they were triplicated, while the bank books showed that but one of such number and denomination had been issued—$83,500. There were seventy duplicate and triplicate numbers aggregating $42,500. While it may have been that some of these duplicates were produced by the fading out of some one or more, but not all, of the figures, by which the respective bills were numbered, yet, in many cases, the bills were unmistakably original duplicates, which it seems to me might have occurred in a few instances, but by no means in one-third or fourth of the whole number before us, and especially with bills calling for such large sums.

It was not believed that such a number of duplicates in 119 bills could have been the result of negligence or inadvertence. Moreover, thirty-nine other notes, all of the denomination of $1,000, were mutilated by burning, all being burned with marked similarity, where the signatures of the President and Cashier were, or should have been, in such a peculiar way that the Board deemed it imprudent to fund either the duplicate numbered or the mutilated bills. To save a multiplicity of litigations, a case was made up and carried, finally, to the Supreme Court of the State, under the name of *The Note-holders of the Bank of Tennessee vs. The Funding Board*, where it was decided in the early part of 1886 in favor of the note-holders by a divided court. In this litigation, as I have shown, the State has been in the main unsuccessful in the result, although the expense throughout has been greatly less than the fractional currency from which the State was exonerated by such litigation. One end in view, and a most important one in view of our settlement was gained, and that was delay, and the distribution of this unexpected and onerous demand upon the State over a series of years, so as to both pay the creditors in the end and also pay the bond-holders their in-

terest as it matured. I have deemed it proper to thus detail the history of the action of the State with reference to the "new issue" of the Bank of Tennessee for the reason that it involved so much, and it was so long a matter of concern, and has at last been determined. I will only add that the State has issued certificates up to date, for this money as follows:

| | |
|---|---|
| Under the Act of 1883 | $651,980 |
| Under the Act of 1885 | 320,505 |

There were paid out of the assets of the Bank of Tennessee in the hands of the Receiver in 1885 and 1886, $216,584.96. Of these "Treasury Certificates" there have been taken up in lieu of other money for taxes, and a few court judgments in favor of the State—$529,810. There are outstanding, yet to be taken up, $442,675, distributed as follows: In 1887, in 1888, in 1889.

## CLAIMS HELD BY THE UNITED STATES AGAINST THE STATE OF TENNESSEE.

I have received a letter from the Hon. James D. Porter, Acting Secretary of State of the United States, of which the following is a copy:

"DEPARTMENT OF STATE,
"WASHINGTON, October 9, 1886.

"*To the Honorable William B. Bate, Governor of Tennessee:*

"SIR—I have the honor to call your attention to the inclosed copy of a letter to-day received from the Treasurer of the United States in regard to the withholding of any moneys due certain States, as provided in section 3481 of the Revised Statutes, said States being in default in the payment of money due the United States by reason of stocks or bonds issued by said States and held in trust by the United States—which is sent you for your information.

"I have the honor to be, sir, your obedient servant,

[Signed], "JAS. D. PORTER,
"*Acting Secretary.*"

The inclosure is as follows :

"TREASURY OF THE UNITED STATES,
"WASHINGTON, October 8, 1886.

"*To the Honorable Secretary of State:*

"SIR — Referring to Section 3481 Revised Statutes of the United States, providing for the retention of moneys due from the United States to any State that may be in default in the payment of principal or interest on stocks or bonds issued by said State, and held in trust by the United States, I have the honor to call your attention to the following States whose bonds are held in this office in trust, on which principal and interest are due and unpaid; and to request that moneys due any of said States be withheld, and this office advised of such action: Arkansas, Florida, Louisiana, North Carolina, South Carolina, Tennessee, Virginia.

"Very respectfully,
"C. N. JORDAN,
"*Treasurer, United States.*"

In reply to a letter addressed by me to the Assistant Secretary of the United States asking information as to what stocks or bonds issued by the State of Tennessee, as to the payment of which, or interest on the same, the State is in default, I have received a schedule prepared in the office of the Treasurer of the United States, herewith transmitted, and which shows the following statements :

| | |
|---|---|
| Bonds of Tennessee held by the United States for the Indian Trust Fund..... | $314,666.66⅔ |
| Bonds of Tennessee owned by the United States..... | 21,000.00 |
| Total..... | $335,666.66⅔ |

Amount due the State from the United States, and withheld, $10,699.49.

## THE BLANK 100-3 BONDS AND PLATES.

Pursuant to House Joint Resolution No. 35, passed March 19, 1885, directing the Funding Board to have the blank bonds printed under the 100-3 Act sent to Nashville, and to cancel the same; also to have the plates from which said bonds were printed sent to Nashville and kept in their custody, subject to the orders of the General Assembly, the Board caused the blank bonds and the plates to be sent to Nashville and deposited in the basement of the Capitol, where they now remain in security, boxed in thirteen large boxes, and awaiting the action of the General Assembly. The Board regret that they have not canceled the bonds. The reason is that it would have required several months to do so. They would have performed the duty, however arduous, but, at the time set apart for the work, Treasurer Thomas, one of the Board, became sick and lingered several months. After his death there was not sufficient time in which to do the work.

I suggest that these blank bonds and plates be destroyed under orders of the General Assembly.

## MEMPHIS CITY BONDS.

I received a short time since, as Governor of the State, notice of the protest of $300 of coupons upon certain Memphis city bonds. Upon my sending these notices to the President of the Shelby County Taxing District (Memphis), I am informed by him that there are only some $15,000 or $18,000 in Memphis city bonds outstanding that are indorsed by the State, and that arrangements will soon be made to retire the same.

## CONSTITUTIONAL AMENDMENT.

The Forty-fourth General Assembly, at its regular session of 1885, by a joint resolution, which was agreed to by both the Senate and the House, having proposed an amendment to the

Constitution of the State, and as Article XI., Section 3, of said Constitution required said proposed amendment to be referred to the General Assembly next to be chosen, to be by them agreed to by two-thirds of all the members elected to each house, before being submitted to a direct vote of the people; and as required by law, the publication of said proposed amendment was made under the direction and by the authority of the Governor, in proclamation form, six months previous to the election for members of the present General Assembly. The matter is now in due form before your Honorable Bodies for their action.

It will be observed that no special appropriation was made by the Legislature to defray the expenses of advertising the proclamation, and it being a question affecting the organic law of Tennessee, I, as Executive, had it advertised as extensively as practicable, and the expenses therefor paid out of a general fund in the treasury, trusting to your approval, the vouchers for which accounts are on file in the Comptroller's office.

## THE PENITENTIARY.

The report of the Superintendent, together with the reports of the Warden and Deputy Warden, show that there were on the prison rolls on December 1, 1886, the date of the report, the names of 1,216 convicts, distributed as follows: Main prison at Nashville, 561; Tracy City, 313; Inman, 196; Coal Creek, 146. The greatest number of prisoners in the penitentiary at any one time was in 1883, when the total reached 1,427. This number had decreased to 1,323 on December 1, 1884. Those now in confinement are therefore 211 less than in 1883, and 107 less than on December 1, 1884.

Since my last message to the regular session of the Legislature in 1885, the lessees have paid into the treasury the amounts falling due on the lease, in regular quarterly installments, the amount of revenue received from that source during the two years, being the full sum of $202,000.

The report of Dr. Deering J. Roberts, physician of the Penitentiary, is full and complete as to the matters under his charge. It shows, among other interesting facts, the death rate at the prison is steadily decreasing, and is much lower than it was in past years.

From the reports of the Inspectors of the Penitentiary and of the Superintendent and subaltern officers, as well as from personal inspection, I am pleased to note the very marked improvement in the management and discipline of the main prison and its branches; and I have, in order to improve the *morale* of the prisoners, and to add an incentive to good conduct, exercised the pardoning power to a limited extent, on one or two of the National holidays, upon the recommendations of the prison officials.

For greater particularity touching the condition and government of the Penitentiary, I refer you to the report of Superintendent T. C. Cain, and the reports of the Assistant Wardens and Surgeons made to him; also to the report of A. J. Hooper, Warden of the main prison at Nashville, and of Dr. Deering J. Roberts, Surgeon of the main prison, which are made directly to me. In connection with the reports of other officials, I refer to the report of the Chaplain, Rev. Dr. C. D. Elliott, which speaks for itself, and to which I especially refer.

I cannot commend too highly the present management of the main prison and its branches.

## YOUTHS AS CONVICTS.

I respectfully renew my suggestion made to the last regular session, that something should be done for the amelioration of the condition of the youths in the Penitentiary. There are a number there who are quite young, and it is without doubt to the interest of the State, no less than an act in the cause of humanity, that they should be kept away, as far as possible, from evil associations, and instructed in the rudimentary branches of education at least, that it may be made possible for them to become good citizens after their discharge from prison.

Whenever it was deemed at all proper, considering the crime committed, I have pardoned youths under the age of sixteen years, and, through the Wardens, have, in most instances, secured homes for them.

### THE ACT OF 1885 TO ALLOW CONVICTS A CREDIT IN DIMINUTION OF SENTENCES.

This Act, chapter 15, extra session of the Legislature of 1885, applies, apparently, to past as well as to future sentences, and also gives certain powers of commutation to the Governor.

The sixth section provides that the Act shall not be obligatory upon the lessees until they agree, in writing, to accept its provisions as a part of their lease. This proviso appears to apply to the operation of the whole Act. In the case of *Johnson vs. Warden Harris*, not yet published, the Supreme Court held that this provision is valid, and that the Act cannot take effect until agreed to in writing by the lessees according to its terms. I had previously addressed a letter to the lessees, directing their attention to this Act, and particularly to the sixth section of the same. Their reply is to the effect that they are willing to agree to the provisions of the Act, provided that the State will agree to a fair credit in their favor to cover the losses they would sustain through their operation. This, I think, amounts to declining to agree, in writing, to accept the provisions mentioned; and so the Act, unless repealed, remains in abeyance until the expiration of the present lease. The correspondence is on file in the Executive Office.

## THE NORTH CAROLINA BOUNDARY QUESTION.

In pursuance of the Act of March 28, 1885 (Chapter 80, page 159), looking to the running and establishment of the line between North Carolina and Tennessee from Indian Grave Gap to the point where the Jonesboro and Asheville (N. C.) road passes through the Bald Mountain, I opened correspondence with the Governor of North Carolina with a view to the

accomplishment of the object of the Act, and he appointed a commissioner on the part of that State, and May 17, 1886, was fixed as the day upon which to begin the running of the line. Some question having been made as to the interest of the North Carolina Commissioner in the boundary question, the Commissioners did not meet on the day set, and the matter was delayed until October 18, 1886, at which time the Commissioners appointed under the Act of March 28, 1885, and the new Commissioner on the part of North Carolina, met at Indian Grave Gap, and began the survey. No report has been received at this office signed by the Commissioner of North Carolina, but the report of the Tennessee Commissioners states that the line was run and marked a distance of 1,158 poles, and as far as the butt of the Unaka Mountain; but at this point and near Nolichucky River, the Commissioners divided, those on the part of Tennessee following a course three degrees east of south, and the North Carolina Commissioner following a southwesterly course, the two lines again uniting near the top of Little Bald Ridge, the remainder of the line being readily agreed upon and fixed. So it will be seen that the line is still in dispute from a point near the top of Little Bald to a point north of the Nolichucky River, a distance of some seven miles out of the eighteen surveyed, The disputed territory embraces 2,500 to 3,000 acres of land.

The report of the Commissioners and correspondence relating to this subject are herewith transmitted for your consideration and disposition.

## THE VIRGINIA BOUNDARY QUESTION.

I transmit, also, a copy of a resolution passed by the Legislature of Virginia, at its last session, together with the accompanying communication from His Excelleney, the Governor of the Commonwealth of Virginia, looking to the establishment of the boundary line. This is a matter that has often occupied the attention of the legislative assemblies of Virginia, North Carolina and Tennessee.

In 1872, the General Assembly of the State of Tennessee, in response to a similar request on the part of Virginia, passed Senate Joint Resolution No. 8 (Acts 1872, pages 55–7), in which the ground is taken that this boundary line had been finally established in 1803.

The matter is set forth at some length in the report of the "Joint Committee on the Boundary between the States of Tennessee and Virginia," of 1872, to which I respectfully refer for the information of the General Assembly, as to the matter in question. This report will be found in the House Journal, first extra session of 1872, pages 71–77. If it is to be understood that the State of Virginia now makes the same claim as that made in 1870 and 1871, it involves the jurisdiction over territory one mile in width adjoining the whole length of the present Virginia-Tennessee line, and over which this State has heretofore exercised jurisdiction, at least since 1803.

I respectfully suggest that it would not be advisable to disturb the amity which has so long existed between the two States by reopening this boundary question, especially as the line was solemnly fixed and established in 1803, upon principles of justice and equity, is well known and has been acquiesced in by the people for many years.

## JUDICIARY.

Inasmuch as the Commissions of Referees have constituted a very important part of the judiciary of the State during the past two years, and (in the Middle Division of the State) have gone out of office by the expiration of their term of office, I deem it proper to say, that in consequence of the large number of cases on the Supreme Court docket, at Nashville, the Commissions of Referees for the Middle Division of the State, sitting at Nashville, could not complete the labors devolved on them by the 15th day of May, 1885, and, therefore, the Act approved April 4, 1885, chapter 94, was passed extending the term of office of the Referees for the Middle Division until the 1st day of May, 1886, provided the business referred to them should not be sooner finished.

My information is, that the Referees at Knoxville tried and reported on about 700 cases, and the Referees at Jackson 790 cases, and that they disposed of all cases on their respective dockets that came within the provisions of the Act creating the Commission.

The Referees at Nashville tried and reported on 1,593 cases, but left untried 176, which, for want of time, they were not able to reach.

Of the reports of the Referees acted upon by the Supreme Court so far about 90 per cent. have been confirmed—a fit tribute to the efficiency and ability of the Referees.

## PUBLIC SCHOOLS.

The annual report of the State Superintendent of Public Instruction, with statistical tables showing the condition of our public schools, will be furnished the Legislature in due time. This report shows the receipts and disbursements of public money for school purposes, the scholastic population of the State, the enrollment in school, and the average attendance of pupils, all of which show a gratifying improvement and steady advancement of our public school system. The total amount of school funds received from the State, counties and other sources, for the scholastic year ending June 30, 1886, was $1,409,835.32. These figures show an increase of $78,996.15 over the preceding year. This fund has been disbursed for salaries of teachers, school sites, buildings, repairs, fixtures, salary of County Superintendents and fees of District Clerks, to the amount of $1,092,459.80, leaving a balance on hand July 1, 1886, of $317,375.52. This is exclusive of a few counties, the reports of which are yet incomplete. The report shows our scholastic population, white and colored, for the year ending June 30, 1886, to have been 623,450, an increase over last year of 16,889. There have been erected during the year 273 school houses, at a total cost of $81,789, the greater part of which has been paid out of the school fund (the title to which is in the

State). A noticeable indication of progress is seen in the reports of institutes held by the State Superintendent, as well as those held by County Superintendents for the benefit of teachers. These reports show a great interest on the part of teachers attending the institutes, and earnest encouragement by the people where they were held. These institutes are doing much to elevate the standard of teaching by the opportunity offered teachers to improve their method of imparting instruction. In this institute work the State Superintendent has drawn around him some of the best teaching talent in the State. The practical utility of this work is now universally conceded, and I suggest the propriety of its encouragement by the Legislature in such a substantial form as to make it still more efficient. I deem it but just to commend in the highest terms the success which has attended the efforts of Superintendent Thomas H. Paine in the practical organization and successful operation of all the branches of his department.

## STATE BOARD OF EDUCATION AND NORMAL COLLEGE.

A very important feature of our public school system is the provision for training teachers. In this respect it is safe to say that Tennessee is quite up with, if not in advance of, many of the sister States.

For white pupils, by an expenditure of ten thousand dollars per annum on the part of the State, one of the most celebrated Normal Colleges in America bears the name of Tennessee. This is effected by a wise combination with the University of Nashville and the Peabody Education Fund. The Trustees of the latter look forward to establishing in the Capital of Tennessee a grand Normal College for the South, under local control. The Normal training of colored teachers is provided for by an appropriation of thirty-three hundred dollars per annum. This educates sixty-six pupils yearly, who select the institution they desire to attend from a list authorized by the State Board of Education. This Board also ordains the rules under which

applicants obtain appointments from the State Senators, and sees to it that the money appropriated is wisely and properly expended.

From a personal observation of four years as ex-officio President of the Board and Chairman of its Auditing Committee, I can testify to the good work done under its oversight.

For all moneys expended in this department vouchers are on file in the office of the Comptroller.

## THE UNIVERSITY OF TENNESSEE.

The University of Tennessee, located at Knoxville, is one of the most practical, and at the same time attractive, institutions of learning in the South. Its commodious and well-appointed buildings, supplied with all modern appliances, its extensive and well-preserved grounds, and its ample corps of accomplished professors, make it an institution, equal to the best of its kind, and one that deserves the patronage and support of the people. With such opportunities as it affords for practical and scientific instruction, no scholarship in it for the State ought to be left vacant.

The biennial report of the Board of Trustees and of the Treasurer are interesting, and will repay a careful perusal. It is shown thereby, among other things, that in accordance with the Act of Congress and the law of Tennessee, the leading object of the institution is, without excluding other scientific and classical studies, to teach such branches of learning as are related to agriculture and the mechanic arts, and that it is therefore mainly an Industrial School. The course of study in agriculture and mechanics has been extended and widened during the past two years, so that the studies relating to these subjects are found in nearly all parts of the curriculum of the university. It is also reported, in this connection, that as a result of the greater attention given by the Board to scientific instruction in agriculture, mechanics and engineering, the stu-

dents show greater interest in these studies, and it is especially remarked that interest on the part of students in the work on the farm, has greatly increased.

## HOSPITALS FOR THE INSANE.

### MIDDLE TENNESSEE.

The Tennessee Hospital for the Insane under its efficient and experienced Superintendent, Dr. John H. Callender, shows by report for the biennial term ending December 19, 1886, the whole number of patients to have been 694, sixty-four more than in any former term.

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|---|---|
| Number of patients remaining Dec. 19, 1886 | 402 |
| Average daily population during term | 408 |

RECEIPTS INTO THE HOSPITAL TREASURY.

| | | |
|---|---|---|
| From State appropriation | $115,000 | 00 |
| From paying patients | 26,417 | 77 |
| From Hospital Steward's Sales | 2,872 | 32 |
| To balance in Bank Dec. 19, 1884 | 8,986 | 86 |
| To balance in Supt's safe Dec. 19, 1884 | 2,428 | 85 |
| Total | $155,705 | 80 |
| Disbursements to Dec. 19, 1886 | 141,798 | 57 |
| Balance in Treasury Dec. 19, 1886 | $13,907 | 23 |
| Cost per annum | $70,899 | 28½ |
| Cost per patient per annum | 173 | 77⅓ |
| Daily per capita cost | | 47 |

On 17th March, 1886, and 22d March, 1886, ninety-nine patients were transferred from Tennessee Hospital for the Insane to the East Tennessee Hospital for the Insane at Knoxville.

This institution is an old and well established one, and with the additions that have been made to it, is commodious and in every respect efficient. Under its present able management, it has attained a reputation that is not confined to the limits of the State. For full information as to its condition and the work done, your attention is called to the reports of the Trustees and Superintendent and of the Treasurer.

## EAST TENNESSEE.

The Hospital for the Insane in East Tennessee is situated at Lyons View, in the vicinity of Knoxville, and perhaps is not surpassed in this country as a site for an institution of this kind. It has all the combinations to make it attractive. Beauty of scenery, mountain and valley and river, while every convenience obtains. The Tennessee River flows directly in front, with valley extending back to the elevation on which the hospital rests. In its rear and in sight is the East Tennessee, Virginia & Georgia Railroad, with a fine stream intermediate, from which a sufficiency of pure, fresh water supplies the institution. The building is beautiful in its architecture, and commodious and convenient in all its apartments. It is an institution calculated to, as it should, excite the pride of every Tennessean. It was substantially and economically built under supervision of Building Directors Robert Armstrong, J. C. Flanders and Columbus Powell, each of whom gave personal attention to the work during its construction.

The grounds are susceptible of the highest ornamentation, and an appropriation will be asked to beautify them, as well as to pay some obligations necessarily incurred in finishing and furnishing. Certainly the necessary amount should be appropriated. In obedience to the Act of 1885, ch. 89, when the hospital was ready last spring for patients, as Governor, I visited it and formally turned it over to the Trustees who had been appointed to receive it.

Dr. Michael Campbell was chosen to take charge of it, and now has it under his supervision.

In conformity to the Act of 1885, ch. 69, patients belonging to the territory assigned to this hospital were removed from the Middle Tennessee Hospital to this one. The report of Dr. Campbell shows that ninety-nine were so received, and those coming in from the territorial district of this institution, added to those transferred from the Middle Tennessee Hospital, amount to 206, with an average of daily patients of 152½.

For particulars in this regard, as well as for the details of expenditures and the amount necessary to be appropriated, I refer to the report herewith transmitted of Dr. Campbell, who has it in charge.

WEST TENNESSEE.

The report of the Building Commissioners for the West Tennessee Hospital for the Insane, appointed under Senate Joint Resolution No. 3, passed by the Forty-fourth General Assembly to carry out the provisions of chapter 74 of the Acts of 1885, entitled "An Act to provide for the erection of an Insane Hospital in West Tennessee" is a full and exhaustive exposition of the work done and money expended by the Commissioners, and of the plans and present condition of the undertaking. Of the $85,000 appropriated, the Building and Locating Commissioners have drawn $38,000, and the manner of the expenditure of the same, and amount on hand, are shown in detail in the reports of the Commissioners.

The Locating Commissioners were at great pains to select the most suitable and eligible place, visiting numerous localities that had been suggested to them. They finally chose a point near Bolivar, in Hardeman County, a very healthy and happy location, supplied with abundance of pure water and agreeable scenery, and easily accessible by railroad transportation, and where abundant supplies can be obtained.

At my instance, Dr. Jones, the surgeon of the institution, the architects, McDonald Bros., and the three Commissioners, before a final adoption of the plans visited our new Asylum at Knoxville, as well as one in North Carolina, which has all the modern improvements, and others, with a view of getting an insti-

tution that would meet the needs of the Western Division of our State, and one that would reflect credit upon the whole State. The result was the selection of designs very much to be commended for that which is practical, economical and beautiful. The plans and specifications show a contemplated building of the most approved kind, and the work done is reported to be of the most substantial character.

The Commissioners, Austin Miller, J. R. Godwin and A. W. Brockway, have so far shown great diligence, good taste and economy in all that pertains to their duties.

The Commissioners were of opinion that it would be cheaper proportionately, and in every way to the best interests of the State to so design the buildings as to make them capable of accommodating three hundred patients without over-crowding, and to do this, in accordance with the plans adopted, will require a sum larger than the appropriation heretofore made. As to this request for additional appropriations, the report speaks for itself.

I hope that the General Assembly, in its wisdom, will see that the care and cure of the unfortunate persons for whom this institution was begun shall be amply provided for in its completion. For its completion, the Commissioners recommend additional appropriations.

I cannot commend too highly the effort on the part of the two preceding Legislatures to make ample provision for this unfortunate class of our citizens, and trust that it may be found compatible with the means of the State to extend, in a liberal spirit, the amount which, when properly applied, will make this asylum ample for the care and accommodation of that unfortunate class who have been geographically assigned to it.

## THE SCHOOL FOR THE DEAF AND DUMB.

The twentieth biennial report of the Board of Trustees of the School for the Deaf and Dumb, at Knoxville, herewith transmitted, shows that that institution is still being conducted with

ability and success. The report is accompanied by itemized statements of receipts and expenditures for the past two years. The Board of Directors have set forth in the report an estimate of the sum necessary for current expenses and repairs for the next two years, for which they ask appropriations. I have had the pleasure of visiting this school several times, and was delighted to be a witness of the good care our State is taking of this unfortunate part of our population. The management seems to be a refined one, and their work is much to be commended. The amount necessary to support this school could not well be expended in a manner to reflect greater credit upon the State.

## SCHOOL FOR THE BLIND.

This institution, located within sight of the Capitol, on a beautiful eminence overlooking the Cumberland river, owes much of its success to the liberal donation of the Hon. John M. Lea, who still, to the gratification of our best citizens, is associated with its Board of Trustees, and gives to it much of his personal attention.

The school has a corps of experienced and capable instructors, and its financial management is a decided success. The appropriation set apart for its expenses by the State has not been exhausted, but, as will be seen by reference to the report of the Trustees, they had on hand January 1, 1887, a cash balance of $3,496.92, and there is a credit to the school on Comptroller's books of $7,550 (undrawn).

The school is one that should be fostered by the State, in order to ameliorate, as far as possible, the condition of the unfortunate blind.

## BUREAU OF AGRICULTURE, STATISTICS, MINES AND IMMIGRATION.

The work of this Bureau, with its several subordinate branches, and of widely different objects, viz.: Agriculture, statistics, fertilizers, entomology, geology, mining and immi-

gration, clearly and elaborately set forth in the exhaustive report made by the Commissioner, which reveals many of the grand possibilities of our State in the way of agriculture, the successful rearing of blooded stock, the rapid development of the mining industry and the growth of manufacturing interests. It is not too much to say the Commissioner has performed his work with the funds at his disposal with credit to his department and to the State. To-day Tennessee is better and more widely advertised than perhaps any State in the Union. The liberal investments and steady influx of capital seeking investment, together with the stream of healthy immigration flowing into her borders, all fully attest the truth of this. Much of this is due to the earnest and vigorous efforts of the Commissioner and his subordinates in the co-ordinate branches of the Bureau. Tennessee is pre-eminently an agricultural State. In no country does the soil more generously respond to the touch of the husbandman as along the valleys of East Tennessee; in the great central or limestone basin of Middle Tennessee; or the fertile fields of the west, and especially the alluvial lands contiguous to the Mississippi.

In addition to the growth and perfection of almost every crop known in the temperate zone, Tennessee is very properly a nursery of blooded stock, which flourishes, as does her famed blue-grass. The indications of improvement in agricultural economy, the introduction of improved methods and improved machinery, look to the fuller development of the grandest of all industries. The report of the Commissioner is supplemented by the reports of his subordinates, of which only a brief notice can be given.

Assistant Commissioner for East Tennessee, C. W. Charlton, on the work accomplished by him in that division of the State; the report of Prof. Jno. W. Glenn, Director of the State Experimental Station at Knoxville, furnishing a series of practical experiments in wheat culture, also in corn and other farm products, and ensilage; also experimental tests of commercial fertilizers, all of which commend themselves to the careful consideration of the practical agriculturist. The report of Prof E. W. Doran, Assistant Entomologist, with its valuable suggestions on de-

structive insects common to the State, and the best methods of preventing or destroying them. This work has been done, it seems, without compensation, and the report is practical and valuable to the farmer and gardener.

The able and exhaustive report of Prof. J. M. Safford, State Geologist, which commends itself to the attentive and earnest consideration of all who are interested in the geology of the State and its importance to the intelligent agriculturist as well as to the capitalist who seeks profitable investment. The rapid development of Tennessee's varied resources during the past few years is due, in a great measure, to the valuable work of Dr. Safford on the geology of the State, published several years ago, but which is now, unfortunately, out of print. The many requests made for it to the Executive of the State, at home and abroad, even from Europe, prove its value.

The report of Mr. Jo. C. Guild, Inspector of Mines, is in itself a valuable and interesting exposition of the progress in mining industry, and its importance as a factor of Tennessee's progress and prosperity. From this report it appears that a very flattering increase is made in the number of coal mines in operation, or soon to be opened; that the coal trade of Tennessee is in a far more flattering condition than ever before; that the coal and coke of Tennessee now find a market as far south as Texas, and as far west as California, being sent to the latter State for silver smelting purposes. The increased per cent. in this production in Tennessee within the last year or two is almost incredible.

The number of men employed in the mines of the State are 4,140, against about 3,500 last year. It is estimated that between 12,000 and 15,000 persons are dependent on this industry for their daily bread.

The ventilation of mines has been greatly improved within the past few months, mostly due to the active efforts of the Inspector to see that the law was complied with. There are some defects in the present law which should be remedied, so as to more fully conform to the requirements of the colliers. Indeed, the insufficiency and defects of the law of Tennessee are

patent. The report shows a decrease in the percentage of accidents which is commendatory to Inspector Guild. Those engaged in mining should be well protected by the laws, which should be framed to lessen the dangers attendant on the work, and protect them from the negligence of those owning or operating the mines.

The Commissioner's report is further supplemented by a treatise on the grasses adapted to the meadows and pastures, together with other reports and statistics, making it complete and valuable.

The vouchers for the disbursements of the appropriation for the conduct of this Bureau have been examined and approved by me, and they are in the hands of the Commissioner, subject to your examination.

Outside of the regular appropriation, there was appropriated to the Commissioner of this Bureau, by Chapter 4, Acts of 1885, an extra amount of $10,000, to be used for the preparation, completion of arrangements and the preservation and return of the exhibits of the State at the World's Exposition at New Orleans. The vouchers for expenditures growing out of and connected with the exhibit at the World's Exposition (which the act does not require me to approve) have, however, been examined by me at the request of the Commissioner, and they are in his hands subject to your examination.

In connection with this Agricultural Bureau, and somewhat germane thereto, is the system of "weather service" which has of late years been inaugurated.

## WEATHER SERVICE.

The advantages of a complete meteorological record are evident to all who appreciate the importance of the science of meteorology and the beneficial results of its development as affecting agriculture and commerce, and health, looking to climatic causes for the study and prevention of diseases. It is

very justly receiving more attention each succeeding year, especially at the hands of intelligent farmers who appreciate the great practical value of the information to be gained by a close observation of the records and data obtained through a series of years, from which they may deduce approximately correct conclusions of future seasons.

The object of the State Weather Service is to observe and utilize every feature of the weather that affects the prosperity of the State, as to crops, health, life, etc. The State service is therefore essentially a plan for gathering and utilizing local data and eventually it will define precisely the localities most favorable to special crops, diseases, etc.

In co-operating with the Signal Office at Washington, the State Service fills many gaps, as it were, between the often widely distant stations of the regular service, by intervening local stations, with voluntary observers, who collect the local data that otherwise would be lost, and forward the same, monthly, to the Central Office of the State, where they are recorded and tabulated for future reference and comparison, thus making a meteorological history of the State, the value of which cannot be overestimated in coming years.

The Tennessee Weather Service was organized early in 1883 under the auspices of the Bureau of Agriculture, and through the co-oporation of the Chief Signal Officer at Washington, who kindly loaned the service a number of standard instruments, and supplied the voluntary observers with blanks and franked envelopes for correspondence and reports. The work has been done without compensation by the observers, and without any special tax on the State.

By fostering this service in the outlay of a few hundred dollars for supplying the voluntary observers with additional necessary instruments and providing for the monthly publishing of the weather reports, the records could be made still more valuable and the State service much more efficient, and the practical benefits that would accrue to the people of the State would very soon become apparent.

## STATE BOARD OF HEALTH.

It is my pleasure to call your attention to this important and steadily growing valuable branch of the State service.

During the past two years under its auspices, there have been organized eighty-two (82) County Boards of Health, besides securing to each of the large towns in the State an efficient Municipal Health Board, thus bringing the people of the entire State practically under the most intelligent sanitary supervision and administration, which contemplates the remedy, if possible, of all those causes which produce human sickness and which intensify and facilitate the ravages of all epidemic diseases.

Through instructive circulars which have from time to time been extensively circulated over the State, the State Board of Health has offered to the people valuable suggestions and advice, based upon the latest developments of science, regarding the most aproved methods of preventing or restricting the spread of those domestic plagues which in the past have annually left desolate so many homes in Tennessee. Besides which the Board has issued monthly a "Bulletin" giving the influence of climate upon diseases, together with the prevailing diseases of the State, month by month, and the death rate per 1,000 population so far as under existing law it can do so. In this connection it is not inappropriate to suggest that there is no law in our State now looking to the continuance and proper collection and preservation of the "vital statistics" of Tennessee. This Board of Health has done, and is calculated to do, much scientific and practical good, and is most efficient as it is now organized.

## PLEURO-PNEUMONIA.

In my message to the regular session of the General Assembly in 1885, I called attention to the danger apprehended from the importation of contagious cattle diseases and the necessity for legislation to prevent their introduction into the State, and

urged prompt action, especially in view of the fact made known to me by the United States Commissioner of Agriculture, that a herd of Jersey cattle affected with that most dangerous of cattle diseases, pleuro-pneumonia, had, within the past few days, been shipped to Jackson, Tenn., from Cynthiana, Ky. These cattle proved to be the herd on the farm of Dr. Hamilton, in Madison County, which were afterwards placed under quarantine, and which are believed to have been the only cattle so far suspected of being affected with this disease in this State.

At that time I had no legal authority to quarantine the cattle, and I called attention to the fact that the only statutory laws upon the subject were sections 2162 and 2163 of the Code, which conferred no power to impound cattle, but only impose a fine for importing cattle from infected districts. Upon such recommendation, and in view of the urgency of the matter, the General Assembly passed House Joint Resolution No. 1, which was concurred in January 9, 1885, requesting and authorizing the Governor to quarantine the cattle in their then location, to the end that the cattle of the State might be protected against this cattle disease.

Accordingly I requested the sheriff of Madison County to place the cattle under quarantine on January 31, 1885. In the proclamation convening the General Assembly in Extraordinary Session in 1885, the enactment of "laws to prevent the importation and spread of contagious, pleuro-pneumonia, or other cattle plague in Tennessee, and for their prompt and proper execution," was proposed as a subject of legislation. The General Assembly, at its Extraordinary Session, passed two acts—chapters 9 and 18, Extra Session 1885—the first of which provides for the appointment of a Live Stock Sanitary Commission, and for the inspection, quarantine, condemnation and slaughter of animals affected with pleuro-pneumonia; and the second of which imposes a fine of from $100 to $5,000, upon any person importing any animal affected with this disease, or that has been exposed to the same, also subjecting such person to imprisonment of from ten to thirty days, at the discretion of the court. Under authority of the

first of these acts, I appointed James V. Fulkerson, F. B. Snipes and Campbell Brown, all gentlemen of high intelligence and integrity, to serve as such Sanitary Commission.

The cattle said to be affected were visited by the Sanitary Commission and examined in their presence by Dr. Day, a distinguished Veterinarian, acting under orders of the Bureau of Animal Industry, United States Agricultural Department. They had previously been visited by Dr. Salmon, of the Bureau of Animal Industry, and were several times visited and the premises examined by Maj. McWhirter, Commissioner of Agriculture, etc. As the disease, if it existed, had not developed itself in acute form, and as it was not considered to be a settled question that it could be communicated from one animal to another unless it was in acute form, the Commission did not order the slaughter of the animals, and so they were placed in closer quarantine, and they were so kept under guard, and the animals declared affected, those not declared affected, and the calves, respectively, being kept in three separate pounds, or inclosures, surrounded by double fences, according to suggestions made by the Veterinary Surgeon and the three Commissioners, so as to avoid all possible danger. Only nine out of a herd of thirty-nine animals were ever declared affected, and these never showed outward signs of disease, but were reported always in apparently healthy condition. The disease, if it existed in the animals, did not spread even to others of the herd. The animals continuing to thrive, and there being no apparent disposition toward the development of pleuro-pneumonia in acute form, the Commission, under advice from a Veterinarian of the United States Bureau of Animal Industry, recommended a raising of the quarantine, which was done in September last, after it had existed altogether a period of about twenty months.

It is due the gentlemen composing the Live Stock Sanitary Commission, to say that they have discharged their duties in a manner reflecting credit upon them as public officials.

I will add that whilst the General Assembly appropriated the sum of $5,000 for quarantine purposes, we have been able to limit the expense to a sum only a little in excess of $1,000.

I would respectfully suggest to the General Assembly an amendment to Chapter 9, Act of Extra Session, 1885, defining the term of office of the members of the Live Stock Sanitary Commission, which does not appear to be clear under the present act.

I would also respectfully suggest the passage of an act authorizing the Governor or the Live Stock Sanitary Commission, to put in force quarantine regulations against the importation of cattle from other States and Territories, and districts less than States or Territories, where contagious cattle diseases are known to exist. If such an act be passed, it might be proper to include a clause providing for the partial quarantine against other States, so that in case it were not thought proper to enforce a strict quarantine against any particular State, where infectious disease is suspected to exist, the Governor or Live Stock Sanitary Commission could possess a discretionary power to impose conditions upon the shipment of cattle from such State; for instance, such a condition as this: That cattle could be shipped from such State into Tennessee upon condition of the owner or shipper furnishing certificates to the Commission or Governor of this State from the Commission or Governor of the State whence shipped, that the cattle are healthy, and have not been exposed to infectious disease.

An inspection of the two Acts passed at the Extraordinary Session will show that, so far as they relate to quarantine, they only authorize the impounding of diseased cattle *after* they have come into the State, and consequently, after the State has been damaged by their reception. They do not authorize a general quarantine against a State, County or district of country, so as to prevent the introduction of all cattle from a State or district as do the laws of a majority of the States.

I have spoken somewhat at length upon this subject because I consider it one of grave importance to one of the chief interests of our State.

The insideousness and great destructiveness of this disease and its highly infectious character, stamp it as the greatest of

cattle plagues, and the mere knowledge abroad that it exists in a State means almost ruin to the cattle interests of that State.

In the language of the United States Commissioner of Agriculture in his report lately made to the President:

"The matter is a most important one, overshadowing in urgency all others affecting our agricultural population, and of vital interest also to every consumer of beef, of milk, of butter, and of cheese."

## ELECTION RETURNS.

I wish here, without repeating them, to call attention to my remarks with reference to election returns, on page 29 of my message to the regular session of the Legislature of 1885. Returns come in very irregularly, and, in some instances, after long delays. The law, too, is uncertain, both as to the forms of returns and to whom they should be made. I renew my suggestion, that an Act be passed covering the whole subject, and that it should be made the duty of the Secretary of State to prepare forms in accordance with the provisions of such Act and forward them to the proper officers in the different counties, that returns may be more promptly, regularly and intelligibly made.

## THE ADJUTANT-GENERAL'S REPORT.

This report makes several recommendations that are well worth consideration. The office is one of importance, and has been too long neglected. The Adjutant-General's suggestions touching the enactment of efficient laws for the organization of the State troops and for the preservation of the military property of the State are to the point. There is an apparent revival of the military spirit throughout the State, and the same should receive a proper encouragement at your hands. I commend the report of the Adjutant-General to your careful consideration.

ARMORY.

The Armory is used as a place of general deposit not only for arms, but for books, reports, etc., in many instances useless. I would suggest that a committee be appointed to examine into the matter and report as may seem proper.

## CLERICAL ASSISTANCE TO GOVERNOR.

Under the act of 1885, appropriating $2,000 for clerical assistance to the Governor, I have employed clerical assistance in my office at various times when press of official business required it, and have expended on this account the sum of $527.50, leaving a balance of $1,472.50 of the fund appropriated to me unexpended, and left in the Treasury as a part of the general funds of the State. The work and duties of the Executive Department, increased as they have in the past few years, are more than the Adjutant-General can well perform, his duties being, as well, those of Secretary to the Governor.

## CAPITOL REPAIRS.

The report of the Board of Commissioners to supervise Capitol repairs shows the manner in which the $6,800 appropriated has been expended. Portions of the building were in a bad state of repair, and the appropriation, which came in good time, has been well and profitably spent.

This, as is well known, is one of the best and most beautiful public buildings in this country, and is daily visited by persons from various parts of the Union. The tooth of time, however, is beginning to make its impression, and the outer surfaces of some of the stones show disintegration. I have been informed that there are substances for application to the surface of stone buildings which, when applied, arrest disintegration without affecting the general appearance or utility of the building. I suggest that this matter be looked to.

I commend the report of the Commissioners to your consideration and call attention to their several recommendations.

I also call attention to the report of Superintendent Hayden March for additional items of current expense of Capitol.

## SENATORIAL APPOINTMENT.

Hon. Howell E. Jackson having resigned his seat last April in the United States Senate as one of the Senators from Tennessee, it became my duty, as Governor, to appoint his successor. I commissioned the Hon. W. C. Whitthorne, of Maury County, to fill the vacancy thus created, on April 16, 1886.

## TREASURER JAMES W. THOMAS.

James W. Thomas, Treasurer, died on the 25th of October, 1886. I had been officially associated with him for nearly two years, and am pleased to bear unto you testimony of his worth as a man and of his capacity and fidelity as a public officer. A vacancy thus created in this department of the State's service, it became my duty, under the statute, to appoint his successor. I appointed ex-Treasurer Atha Thomas to fill the vacancy. He had recently had charge of this responsible office, and was not only familiar with all its duties, but had shown efficiency and fidelity in the discharge of the trust.

## GOV. JOHN SEVIER.

It has been brought to my attention as Governor of Tennessee, by correspondence, that the grave containing the remains of Gov. John Sevier can be identified, and that it is in the State of Alabama. A correspondence to this effect was transmitted by me to the State Historical Society, but that organization having no means that could be appropriated to having them removed. I bring the matter to your attention for such action as you may

deem proper to take. The remains of this grand historic character and gallant old Revolutionary soldier should be brought back to the State at the public expense and put to rest in her soil.

It is pleasing for me to acknowledge my indebtedness for courtesy and efficiency, not only to the heads of the departments of the State Government, but to all those connected therewith, and to none more than to Adjutant-General R. W. Cantrell, who has for four years acted as Private Secretary to the Governor. It is true that no Administration of any State Government can be perfect under human laws, however smoothly the machinery may run. I am pleased to note the fact, however, that in the administration of our State affairs during my official term, there was ready and active co-operation, as well as personal and official harmony.

I have reason to believe that your services as legislators, chosen by an intelligent and confiding constituency, will be rendered with a conscientious regard for the public interest, and in a manner to meet the approval of those you represent, to reflect credit upon the State, and upon you collectively and individually.

WM. B. BATE.

Executive Office, January 6, 1887.

[Since this message was put in type, and before it was read to the Legislature, $269,720 additional bonds and interest were retired and substituted by three per cent. settlement bonds.]

UNIVERSITY OF ILLINOIS-URBANA
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